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ABSTRACT

Most theories on the low socioeconomic status of Blacks have been grounded in sociology and economics, have concentrated on largely quantitative data on occupation and income distribution among Blacks and between Blacks and Whites, and have presented a disfunctional picture of Black economic life. It is time now to turn to anthropological studies of the economic life of Black urban communities. To date, the colonial model of such communities postulated by political scientists has been pervasive. The colonial model focuses on the economic role of Blacks as neighborhood-bound cheap laborers and consumers rather than producers and distributors. As in other theories, the absence of a class of Black entrepreneurs is compared unfavorably with the growth of such a class among other ethnic groups (the ethnic enterprise model). Preliminary data collected in a survey of an inner-city Black neighborhood, however, casts doubt on the usual assumptions about Black economic life. First, suburbanization and other processes have made the ethnic enterprise model obsolete as a way of understanding Black businesses. Second, although most of the businesses surveyed rely on a local or even a neighborhood consumer market, the marketing networks of some businesses extend well outside the area, bringing into question the validity of a colonial model of cash-flow transactions. And finally, analysis of the data indicates an adaptive rather than a disfunctional model of Black economic life. (CMG)

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AFRO-AMERICAN URBAN LIFE: NEW DIRECTIONS FOR RESEARCH

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Within the past decade a debate has emerged in American society focusing on the impact of various legislative and judicial enactments on the socio-economic status of Afro-Americans. To a large extent, the debate has flourished in the academic arenas of sociology and economics, whose use of empirical data has been largely confined to the analysis of income, occupational and educational data over time, the identification and measurement of those variables affecting socio-economic status, and finally, but most importantly, the role of the federal government, either through its legislative or judicial process, in promoting both protectionists guidelines and laws designed to facilitate these changes.

The debate has polarized into two major theoretical perspectives: free-market proponents, led most visibly, perhaps more for their conservative political alignments that scholastic integrity, by Thomas Sowell, (1981a) William Julius Wilson (1978) and Walter Williams (1977), who have argued that the variety of programmatic and judicial remedies for discrimination initiated some two decades ago, have produced a stable core of blue and white collar Afro-Americans able to compete successfully in the marketplace without government oversight of their economic and political status. The results of their work has been critiqued by those less trusting of free-market principles, such as Charles Willie. (1979), Douglas Glasgow (1980) and to some extent, Michael Banton, (1983) who have argured that both racial identity and the historical experiences of the slave and post-reconstruction eras have continued to be a significant factor in economic differentials between blacks and whites. While the free-market proponents focus on the emerging number of

Afro-Americans in skilled labor categories, their more liberal colleagues point to the emerging number of Afro-Americans whose lack of marketable skills has resulted in an intractable "under class" characterized not only by their poverty, low educational achievement levels, destitute surroundings and most importantly, their extremely low prospects for upward mobility.

To a large extent, both theoretical perspectives are seeking to examine the extent to which the remedies of the past two decades have either served to retain the "caste" features of American society, the nature of which was examined at an earlier point in time by anthropologists such as Allison Davis and Burleigh Gardner (1941), John Dollard (1937), and Hortense Powdermaker (1939), in their community studies of Southern culture where the discriminatory nature of black-white relations existed in its most pristine form. These earlier studies illustrated the ways in which racial ascription acted to narrow or restrict one's subsistence and productive activities to the low-end, less stable layers of the economic system, and prevent full participation in the political system, thereby resulting in a social structure embodied by cultural notions of racial pollution, marital endogamy and racial etiquette which acted to give substance, cohesion and purpose to this duel system of equality and economic mobility.

Both Sowell and Wilson have proposed that while varying degrees of government oversight might have been necessary in the past to eliminate the structural features of this "caste" system, it was the "color-blind" profit requirement of the marketplace, characterized by its tendency to reward those with marketable skills, that was most responsible for increasing the number of blue-and-white-collar Afro-Americans. Within this free-market framework, the

emergence of a permanent and predominately black, urban underclass, examined in detail by Douglas Glasgow (1980) is viewed as a result of a shifting national economy in which a strategy of industrial and manufacturing output was replaced by the emergence of an administrative and service-related economy requiring formal education and skills. Similarly, this shift in the direction of economic output was accompanied by a migratory shift in the population from the industry-based North, many of whose metropolitan centers contain large numbers of Afro-Americans, to the Southern latitudes of the country where these service-related industries were largely unencumbered by labor unions, traditionally a mechanism of upward mobility for poor and ethnic minorites in American society.

Whereas Glasgow (1980) is inclined to see the development of this black underclass as resulting primarily from a recantation of government support for programs in the areas of education and training, the lack of incentive-producing subsidy allowances for low-income, two-parent families, and a failure to address the problems of housing and the economic development of the nation's inner cities, Sowell views the presence of this Afro-American underclass as being the result of their unprepardness and "lack of entrepreneural history", as the market economy exercised its right to ".....choose among options and institutions that might be available, or to create them to suit the needs and desires of the transacting parties" (Sowell 1981a). While both Glasgow (1980) and Willie (1979) view inadequate government support and direction as producing a largely urban underclass of Afro-Americans, in which upward mobility is stagnant, Sowell and other free-market theorists view their presence as being largely due to their lack of adaptation to a shifting economy.

Thomas Sowell's recent publication (1981) which presented a historical overview and comparison of nine American ethnic groups and their adaptation to American life is important here, not only because it points to the methodological problems inherent in comparing the "success" rates of numerous ethnic groups who arrived in America during different phases of our social and economic history, settled in various ecological niches, and brought with them a myriad of experiences and skills from the urban and rural environs of three continents, but because after an extensive analysis of these differences he then goes on to negate the factors of chronology, place and experience in explaining the relative success of, for example Jews, Asians and Cuban Americans, in contrast to Italians, Chicanos and Afro-Americans, which he characterizes as relatively unsuccessful.

Although the data from which he bases his assertions is largely statistical and historical, he then goes on to state that it has been the values present within these ethnic groups which have determined their successful adaptation to the market-place. He credits these values with creating an emphasis on acculturation, rather than a retention of ethnic cohesiveness, individualism, competativeness, and thrift, values which converge with the values of a capitalistic economy, and hence result in successful adaptation within it. This emphasis on seeking to find explanations of poverty through an examination of the internal characteristics of low income groups rather than the wider system of which they are a part, is not a new concept in social science literature.

Oscar Lewis' (1959) delineation of the "culture of poverty", Daniel

Moynihan's analysis of Afro-American families (1967), and more recently George Gilder's (1981) correlation between poverty status, familial structure and the stiffled future aspirations of black males, are elaborations of this same theme. While these characteristics may or may not exist among individual families of various ethnic groups, these explanations simply do not account for the long-term discrimination experienced by individuals whose physical and cultural characteristics, rather than socio-economic status, have restricted their educational and occupational aspirations. Discrimination has been well documented and verified by at least two generations of legal scholars in this country; its acknowledgement has formed the basis of hundreds of judicial enactments. Those who continually assert that the market-place is "color-blind" have not had their assumptions subjected to the test of judicial evidence.

Sowell and other free-market proponents see the existence of a black underclass as being explained and analized in light of socio-economic class, rather than race, thereby diminishing the role of history and ignoring a wealth of ethnographic data illuminating the nature of racial and ethnic conflict. Edna Bonacich, (1979) for example, views the economic disparity between blacks and whites as a consequence of a split labor market, in which the labor of some ethnic and racial groups is judged to be of lower value, and hence lower priced, than others. This price differential of labor is thought to be class-based, but publically articulated within the context of race and culture. What Bonacich does not explore are those cultural and historical factors which have acted to "devalue" their labor at the time of their initial entry into the market place.

Both the free-market and split labor market proponents should take note of the recent study conducted by George Davis and Clegg Watson (1982) on black employment patterns within the nation's largest corporations. Since these corporations are profit-motivated, it follows that they would seek employees based on a color-blind criteria: educational attainment, and the possession of work habits and values which compliment the profit motives of these corporations. Sowell, for example, has asserted that these corporations and elite educational institutions annually "raid" the nations elite centers of higher education in an effort to recruit these minority graduates. However, it should be noted that Davis' and Watson's accessment of corporate hiring practices found that more than often, Afro-Americans within the higher ranks of American corporations were usually found in the corporate sector of community relations, affirmative action and personnel administration, thereby positioning them in broker roles between corporate policy-makers and minority consumers, rather than in the policy-making sectors of the corporate structure where fiscal, managerial and production decisions are made.

Hence while one might view the increasing number of Afro-Americans in middle income categories as evidence of the color-blind features of the marketplace, there seems to be a wealth of both empirically-based and statistical studies which focus on discrete units of Afro-American life, such as the quality of housing, neighborhood integration surveys, and examinations of the upward mobility of Afro-Americans in corporate America, as well as the increasing development of an Afro-American, primarily urban underclass, that questions these assumptions. To this one might add the numerous studies of school integration strategies (Collins 1978), ethnographic accounts of shool systems undergoing integration, (Ogbu 1978) and teacher and administration

attitudes towards black children (Rosenfeld 1971).

It is not my intention here to meander into an already copious literature in which the degree of economic parity among blacks and whites has been largely debated within the context of status and upward mobility through the measurement of a range of accompanying status variables. Rather, the position of this paper is that we should turn from a largely quantitative body of data on occupation and income distribution among Afro-Americans and between Afro and Euro-Americans, to an examination of the subsistence strategies present in urban communities in which Afro-Americans form a substantial or majority of the population. Hence, the theme of this presentation and the preliminary data described therein should be seen as a challenge, entreating anthropologist to enter into this debate, as we possess both the methodological and theoretical skills necessary for a clear and perspective analysis, and the ethnographic history to illuminate the salient features of economic transactions in Afro-American urban communities.

Anthropological investigations into Afro-American life have largely been confined to two arenas: the body of sociological studies, largely articulated in the so-called "Moyhinan Report", cited earlier, resulted in a large body of anthropological studies on the structure and nature of Afro-American families. In these studies anthropologists focused upon extended family structures, encompassing a variety of consanguineal, affineal and fictive kin ties into one familial unit, even when individuals resided in various households. By focusing on the norms and interactional patterns of reciprocity present we were instrumental in refuting the popular tendency to "blame the victim" for his or her low economic status. Studies by Carol Stack

(1974), Joyce Aschenbrenbrenner (1975) and Theodore Kennedy (1980), are examples of those studies which focused on the adaptative strategies of low income black families. Harriet McAdoo, a sociologist, has recently expaned on this focus in seeking to determine the extent of these socio-cultural traits in the middle class families of Columbia, Maryland and Washington, D.C. (1981).

Similarly, the propondence of violence and urban unrest in American cities in the 1960's resulted in a variety of anthropological investigations into the nature and structure of Afro-American urban communities. Studies by Hannerz (1969), Williams (1981) and Valentine (1978) have eliminated not only the diverity present in Afro-American urban communities, but the structural and cultural features of these predominately low income areas, which presented a picture of Afro-American life largely within the confines of an arena of social intercourse.

Both the familial and community-based studies of Afro-Americans have, for the most part, been reactive in nature, the result of political retrenchment by policymakers who perceived that their assumptions had a large public following. Although these studies have, by and large, had a positive impact in the development of a social science literature on Afro-American life and culture, we as anthropologists must be honest with ourselves and ask whether or not these ethnographies have helped to explain or predict the emergence of a black underclass within the urban sectors of the American economy.

While previous anthropological investigations into the nature and

structure of Afro-American life were largely confined to internal social dynamics, we must begin an examination of Afro-American urban life within the context of an economic system of production and distribution. That is, we must begin to investigate the proponderence of small retail shops, industries, and the entrepreneural practices of small businesses, of the nation's cities in which blacks form a substantial or majority of the population.

To a large extent, these arenas have been the focus of political economists, who have postulated a colonial model of Afro-American communities. Within this colonial context, Afro-American urban communities are viewed as being the repositories of a low-income, largely underemployed and unemployed population whose prime contribution to the larger economic systems of metropolitan areas is their labor, which, Bonacich has already assessed as being devalued, and hence noncompetative, and easily subjected to displacement as alternative strategies are found by American businesswomen to maximize their profit margins.

The colonial model of Afro-American urban adaptation assumes that the income-generating activities of the nation's inner cities are most often obtained by forces which emulate from outside of it: the devalued earning of the "exported" labor of inner city residents, the earnings of inner city residents employed on public payrolls, or publically supported social service community action agencies, government supported grants and loans and non-profit foundations residing outside inner city environs, and the earnings of non-residents who own retail and commercial enterprises within these Afro-American communities. (Brown 1971:30-32). To this list should be added those public funds which act to subsidize the unemployed, and female-headed

households, such as food stamps, rent subsidies, aid to dependent children (ADC), and nutrition programs. Funds generating from illegal activities, such as drugs, are also included since it is the production and major distribution activities which initiate from outside of Afro-American urban communities.

Correspondingly, the colonial model assumes that cash out-flows of Afro-American urban communities are transmitted to sources outside of it, as major purchases are made to absentee landlords and retail and commercial entrepreneurs residing outside of inner city environs. Similarly, tax payments, as well as savings and loan and banking institutions, respositories of the savings of inner city residents, are more than often held by those residing in other areas. Hence the colonial model focuses on the economic role of Afro-Americans as cheap laborers and consumers, rather than producers and distributors. This analysis points to the economic activities of Afro-Americans as being largely unproductive, in that this predominately government-subsidized economic system is not concerned with the accumulation of capital which would in time lead to the formation of a class of black entrepreneurs.

The absence of a class of black entrepreneurs has been largely accepted by social scientists, in contrast to a growing literature focusing on the growth and importance of the small businesses among European and Asian ethnic groups. Thomas Sowell (1981b), Ivan Light (1972) and Scott Cummings (1980), for example, have pointed to the self-help features of these ethnic businesses, and the roles they played among first and second generation immigrants. These ethnic businesses, which included a range of commercial establishments from street peddling enterprises, laundries, and small grocery

stores to garment factories, are thought to have facilitated their adaptation to urban American life, and in turn, of generating a professional class of physicians, attorneys and teachers. Hence, most of the literature on Afro-American and European and Asian-American small businesses tends to contrast the lack of success of the fomer with the successful adaptation of the later.

II

My initial interest in the economic side of Afro-American communities began when I was hired as a consultant to conduct a survey of businesses within an approximately twenty-block area of the inner city of a metropolitan area. Within a thirty year period the area had gone from a predominately white, to black area consisting of a relatively stable professional class. As this professional class migrated to other areas of the cities and suburbs, they were replaced by low income blacks, although census data indicates that the percentage of homeownership remained unchanged. Both urban renewal and the threats of riots in te 1960's, coupled with the departure of middle income blacks, facilitated the departure of business and commercial establishments from the area. At the time of my initial fieldwork, there had not been a significant development of either a black or white business in the area in over twenty-five years. The lack of retail stores in the area, especially grocery and discount department stores, such as K-Mart, was of higher concern to area residents than crime and housing (Koebel, 1982).

The purpose of my study was two-fold: not completely trusting the

assumptions of the local Chamber of Commerce, the developers wanted to insure that local needs would warrant their investment. Similarly, as the developers would be constructing a mixed-use enterprise, consisting of both commercial and retail space, they were anxious that their sizable investment would not duplicate existing commercial ventures. As a temporary departure, it is interesting to note that the developers did not question the income generating capacity of the area. They assumed that the residents had to spend whatever income they had on necessities associated with food, housing, recreation or transportation. The apparent lack of such economic enterprises, coupled with the long distances area residents had to travel to obtain these goods and services, warranted their investment into the area.

While there tends to be a public perception that the absence of businesses in Afro-American communities is due to a high crime rate, and in fact this perception is reflected in the literature, during the course of my fieldwork I have found that the income generating capacity of an area plays a much more significant role to the business in deciding whether or not to locate in a given area. Since the literature on black economic development tend to ignore the role of the developer, I shall elaborate upon it here.

A <u>developer</u> is defined as a person who purchases large tracts of land for the purpose of constructing a facility which will house a variety of commercial and retail businesses. Along with the construction of the facility, developers are primarily concerned in acquiring long-term lease arrangements with businesses who will locate their shops or commercial offices in these edifices. An important component of their business strategy is securing an <u>anchor tenant,</u> an enterprise which will attract large numbers of

consumers, and through a spill-over effect will direct consumers into other businesses within the complex. Attracting an anchor tenant is dependent upon both convincing a business that there is a lack of competition for their products in a given area and that the location can sustain their continuous involvement.

The activities of developers, then, should be seen as initiating a substantial income-producing factor into the areas they target for investment. Their assemblage and purchase of large tracts of land involves the use of real estate brokers. The design of the facility calls for the utilization of architects. The demolition of old buildings and the construction or renovation of new ones involves the use of various skilled laborers involved in the construction trade. The successful completion of the venture will involve the continuous use of property-management specialists, and maintenance and protective specialists. The activities of developers, then, warrant careful examination by anthropologists, as their business ventures into low income areas has a significant impact on an inner city's ability to capture and retain the monetary residue if they utilize indigenious labor and business.

The emerging importance of these commercial developers in determining the economic flow of goods and services within metropolitan areas can be seen as a response to the specialization which has occurred in the commercial and retail trade of America. Previous studies of ethnic business enterprises have to a large extent been confined to an era in which small businesses operated along side of residential structures. More than often business owners lived on top of or behind their income producing enterprises enabling them to use

family members as primary laborers, to minimize both their living and business expenses, and to work long hours in order to insure a profit. The process of suburbanization has impacted greatly on the land-use arrangements of metropolitan areas, as cities have tended to follow suburban land use patterns and values in the structural and often legal separation of residence and commerce (Perin 1977). In many metropolitan areas a duplication of traditional ethnic business arrangements is not longer possible. Zoning and land use restrictions, minimum wage laws, franchises and expanding opportunities for both the female kin and the children of these ethnic businessmen have tended to diminish their former importance.

My association with commercial developers, then, has not only added to my knowledge of the business strategies of the entrepreneural elite, but has resulted in questioning the fesibility of developing a black entrepreneural model similar to that of other ethnic groups in the past. Similarly, it has led me to ascertain the degree to which existing businesses in the inner city can adapt to the changing business strategies based upon the needs of these developers. Hence, in addition to conducting a survey of businesses in an inner city neighborhood, I also became concerned with the ability of Afro-American businesses to mobilize those financial and manpower resources in order to take advantage of these commercial strategies. Accordingly, my anthropological investigation of Afro-American businesses operating within inner city environs was concerned with the following:

1. the extent to which these businesses marketed their products beyond the confines of their neighborhoods, either through a distribution system or attracting consumers into the area;
2. the degree to which the concept of "domesticity" (Chock,

1981) was present in the strategies of Afro-American business persons;

3. the extent to which their business practices were "credit worthy" thereby enabling them to qualify for loans from lending institutions;
4. the degree to which kinsmen or voluntary associations were utilized for financial support;
5. the degree to which these businesses were partnership arrangements or sole proprietorships;
6. the extent to which these businesses conformed to mainstream or informal marketing strategies.

These variables were instrumental in assessing the degree to which existing Afro-American businesses conformed to an "ethnic enterprise" model, were capable of adaptating to the ventures of commercial developers, and would allow one to determine the extent to which economic transactions of the area conformed to a "colonial model" of inner city cash-flows.

During my initial business survey, I quickly determined that the developers were correct in questioning the assumptions of the local Chamber of Commerce. During a walking and automobile tour of the area over a two month period, I counted a total of two hundred and ninety three businesses located within a twenty block radius of an area in which 21,092 persons resided having a mean income of less than fifteen thousand dollars annually. This amount was significantly higher than those cited in the Yellow Pages of the local telephone directory, and a Chamber of Commerce-sponsored Black Pages in which only inner city businesses were listed (Appendix I).

The most numerous businesses were those having to do with automobile repair (10.6%), liquor stores and lounges (25%), beauty and barber shops (8.9%), and commercial business services such as insurance companies, commercial tax services, and physician's offices (8.9%). Grocery stores comprised 5.5 percent of the total businesses counted. Less frequent were hardware stores, laundrymats and gasoline stations. On weekends there were street peddlers selling music video tapes, clothing, primarily jeans and sweatshirts, fresh seafoods, and prepared foods such as barbeque and sausages.

All of the businesses fell into three major categories. The first category consisted of those business establishments which conformed to the local Chamber of Commerce's definition of a business enterprise. They had a physical presence in that they were located in a non-residential structure and were more likely to be included in a business census. Owners resided in residences apart from their businesses. The businesses also tended to employ at least two other non-relatives on a continuous but part-time basis. Kinsmen were utilized only for short term periods and it was usually the female spouse of the owner, acting in te role of manager, that was present if kinspersons were utilized. Addiionally, these businesses purchased their products with credit obtained from wholesalers, and had established credit with banks and other lending institutions. They also periodically employed accountants or utilized business cash-flow procedures. Automobile repair shops, restaurants, dry cleaners, beauty and barber shops as well as professonal offices fell within this category. It should be noted that these businesses were overwhelmingly owned by Afro-Americans and accounted for over sixty percent of the businesses survived.

The second category of businesses operated within an informal marketing sector. Included in this category were businesses who either operated out of trucks and vans, within their residences, or contracted their skilled labour out to other businesses or individual households. Street peddlers selling a variety of edible and non-edible products obviously fall within this category. But approximately one half of the beauty-palors and barbershops survived were located within the residence of the owner-operator. Child care providers, and automobile mechanics who used their backyards for repairs, are examples of enterprises operating within this informal sector.

Several of these businesses, such as street peddlers, were seasonal, tending to operate on vacant lots along well traveled streets during weekends in the Spring and Summer. Food peddlers operated out of the parking lots and bars and liquor stores during evening hours when they were in a position to attract customers from these establishments. Those who hired out their skills included plumbers, electricians, plasterers, painters and yard men. These skilled laborers were usually retired, but many contracted their services to local businesses or homeowners during layoff periods or participated in the informal sector to supplement their income.

Businesses operating within their informal market strategy obtained their customers through word-of-mouth, although several churches in the area listed the names and addresses of these indivduals, together with their specialities, in church programs distributed to its members on Sunday mornings. Few kept records of their income and expenses, the exception being licensed childcare providers, beauticians and barbers. Those operating within this informal sector were entirely Afro-American and comprised thirty percent

of the total businesses surveyed. Additionally, while the majority of these informal sector entrepreneurs operated alone, they often sought the assistance of others when warranted. Yardmen and skilled laborers who contracted with individuals and businesses were more likely to utilize their male offspring, collateral kinsmen, or close friends when needed.

The third category of businesses are characterized by the ethnic identity of their operators. These businesses were owned by whites, and most closely conformed to the "ethnic enterprise" model. They dominated most of the liquor, furniture (new and used), clothing, and hardware stores in the area. Comprising some ten percent of the businesses surveyed, their niche in the economy tended to be more secure than most. These businesses had been in operation for more than twenty years; they were in operation prior to the turn-over of racial composition in the area. The furniture and clothing store operators offered their own credit accounts or accepted bank cards from customers. While their products were hardly those consumers would purchase frequently, their purchase required either sizable funds or long-term credit commitments. Their liquor stores tended to be better stocked, and their products reflected a greater range in quality and price.

The majority of these white businesses were located along a transportation artery which served as a physical boundary between white and black residential areas. They owned the buildings in which they operated, and usually the adjacent real estate which they rented for residential purposes. Employees of these concerns were, more than often, white, their employment status being continuous and full-time. Minority employees were employed on a short term basis, during peak sales periods.

These businesses reflected a strong family involvement in the management of the enterprise; in more than a few instances current owners represented the third generation of entrepreneural involvement. While it was unusual to find the owners residing over or behind their businesses, several of the current owners had in their youth. Now it was common for either the retired generation or collateral kinsmen to reside within the residential confines of these businesses.

Both the number and character of businesses operating within this predominately low income area should be seen as reflections of both the options and social structure functioning within an ecological arena. For while a surface examination of business activity within the area might lead one to conclude that a successful economic adaptation has been achieved, a closer examination of these businesses leads one to question these assumptions.

First, it should be noted that the great majority of those surveyed employ no more than three persons at any given time, including peak sales periods. Second, the majority of businesses cater to a specific neighborhood, rather than regional market. At the time of this initial survey, there were three national-chain grocery stores located along the borders of the area under study. These stores received the widest consumer patronage. Interspaced were numerous small grocery stores catering to neighborhood clientile. The great majority did not sell meat, fish or fresh poultry and vegetable products, concentrating upon canned and paper goods.

Indeed, the proponderence of liquor stores, constituting the largest single category of the survey, can be seen as a response to the lack of chain-grocery stores in the area. Almost eighty-percent of the liquor stores surveyed were small in structure, large enough for no more than ten customers at a time. Alcoholic beverages sold were most often of pint size, consisting of the cheaper brands of wine and liquors. However, these liquor stores offered a variety of household goods for their customers, and often these household articles constituted a larger percentage than their alcohol products. Hence, these liquor stores made the bulk of their profits on non-alcoholic articles, functioning in reality as neighborhood grocery stores. These liquor stores were typically owed by Afro-Americans. White owned liquor stores tended to sell alcoholic beverages exclusively, tended to be larger in spacial size, and to have an absence of household or grocery products.

Correspondingly, a significant percentage of informal market sector activities can be seen as a response to the absence of neighborhood grocery stores. My survey included several persons who sold household products in vans, driving through neighborhoods in which there was an absence of grocery stores. It should be noted that the area under study had the lowest percentage of automobile ownership, and the highest percentage of female single-head-of-households with children under the age of ten, as well as a significant percentage of adults over the age of sixty. Within one neighborhood of the area a population increase of over seventy percent had been experienced over a ten year period, yet its residents had to walk for approximately eight blocks to the nearest grocery store. Most used taxicabs or transportation supplied by friends or relatives for their major shopping. The utilization of grocery vans which traveled the area perioically

supplemented these major shopping sojourns. The large number of automobile repair dealers, operating both within and outside of an informal market sector can also be seen as an adaption to a predominately low-income population in which automobile purchases were more likely to be for used vehicles rather than new ones.

The composition of business ownership can also be seen as a reflection of the population composition of the metropolitan area as a whole. Both a historical examination of racial and ethnic composition of the area over time has led me to conclude that the abandonment of residential areas by whites also lead to an abandonment of white-owned businesses. Whites which previously resided in the area migrated to the southern environs of the city and suburbs where suburban enclaves were being constructed approximately twenty-five years ago. It is signifcant that the construction of these working-class suburbs followed the establishment of factories utilizing skilled and unskilled labour. It is suggested that many of these white business persons choose the employment and security of these union-protected blue collar positions. Correspondingly, there were no other visible ethnics, such as Koreans or West Indians, cited in other studies of inner city enterprises, to take their place. Only those white businesses located along those corridors separating black and white residential areas remained.

III

Obviously, there remains a wealth of additional information to be collected and analyzed before one can draw any concrete conclusions on the entrepreneural activities of Afro-Americans operating within an inner city arena. More specific information is needed on the income, expense, and profit

margins of these businesses, and the degree to which they own the structures in which they operate. Their utilization of health care, and various insurance plans should also be assessed, since it is participation in various insurance schemes which often act to cushion businesses in times of loss and can povide collateral for expansion. The nature and scope of female-owned enterprises, in this instance most visibly represented in childcare businesses and beauty shop ventures, also warrant further investigation. Additional data on the degree of business failure, their participation in Chamber of Commerce or trade associations, and the extent to which these businesses are abe to compete within a largely franchisement of small businesses needs to be explored.

Nevertheless, some preliminary conclusions can be reached which would allow for the postulating of my concerns, stated earlier. First, it is clear that a majority of those businesses surveyed rely on a local or even neighborhood consumer market. Further, most businesses tended to purchase their inventory from sources outside of the area. Both small grocery and liquor stores purchased their stock in small qualities and individually, so that consumer prices reflected this. At the time in which this study was conducted, there were no black grocery distributors in the city, and a black liquor distributor had only just been established. The relationships between this black distributor, liquor sales persons and liquor stores awaits further investigation. Beauty and barbershops attracted customers from throughout the metropolitan area, based upon price, services offered and reputation. Approximately eight percent of their products were purchased from nationally known black cosmetic companies. There were two black-owned hair product distributors in the area, and their relationship with local beauty and barber

shops also needs further inquiry. However, both the marketing network of liquor and beauty businesses extend well outside of the confines of the area, leading one to question the validity of a colonial model of cash-flow transactions.

Second, by and large these businesses were not family enterprises, in which kinsmen collaborated in partnership arrangements and maximized their investment through the lowering of employee costs. In most instances, businesses were utilized to provide a salary of a spouse, or as an extra income, as several owners also had full-time positions in other occupations. Many owners expressed the degree to which these enterprises provided a cushion in times of layoffs or employment termination. Almost all saw their business strategies as enabling them to educate children thereby allowing them to go into other occupations.

Third, only a small percentage had started their businesses with loans obtained from federal or local government funds designed to stimulate minority entrepreneurship. More than often, savings, personal loans, and loans obtained from mortgaging existing property was utilized. Since the large majority of businesses surveyed were small in scale, only a small initial investment was needed.

Finally, it should be noted that the precarious nature of these businesses resulted in a rapid turn-over of business failures. It was not unusual to find shops boarded up and vacant for two or three years, only to reopen for a short period of time with a new focus, and close again. Within this context, it should be noted that more than sixty percent of the abandoned

and delapidated buildings in the area under study were businesses, rather than residential units.

While the purpose of this paper has been to present the results of some preliminary data on both the nature of economic transactions present in an Afro-American urban community, I also hope that I will have stimulated discussion on the degree to which this data is replicated in Afro-American communities across the United States. Only after sufficient qualitative data has been collected and analyzed will we be able to examine the degree to which the theoretical model of an underclass is isolated from both the Afro-American community and the wider metropolitan community. Hence, a shift from a "community-based" or "neighborhood" focus to what Anthony Leeds has referred to as a "supralocal" (1968, 1973) analysis of metropolitan transactions will enable us to access the degree to which Afro-American urban life is constrained by political and economic institutions which originate from outside of it. Finally, I think that I have presented enough preliminary data to challenge the "human capital" assumptions of Thomas Sowell and other free-market proponents. For my analysis of Afro-American entrepreneurship has indicated an adaptative, rather than disfunctional, picture of economic life, and has indicated the degree to which an "ethnic model" of business strategies is no longer adequate, as Afro-American buinesses, like their Euro-American counterparts, will become increasingly centralized in its location and franchised in its mode of operation.

APPENDIX I: SURVEY RESULTS OF BLACK BUSINESSES (RETAIL AND SERVICE)

TYPE OF BUSINESS	NUMBER	PERCENTAGE
Automobile Repair and Parts	31	10.6
Liquor Stores/Bars/Lounges	74	25.0
Banks	1	0.34
Beauty Palors/Barber Shops	26	8.9
Commercial Business Services	26	8.9
Cleaners/Laundrymat	11	3.7
Clothing Stores	17	5.8
Drug Stores	10	3.4
Eating Establishments	14	4.8
Furniture Stores - New	5	1.7
Furniture Stores - Used	14	4.8
Gasoline Stations	14	4.8
Grocery Stores	19	6.5
Household Repair (incl. Hardware)	16	5.5
Recreation (game rooms)	8	2.7
Used Car Dealers	1	0.34
Other*	6	2.0

*Included one optical shop, a coffin company, funeral palor, two pawn shops and a limb and brace shop.

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